APPENDIX

Bond provision for Washington state contractors act. RCW 18.27.040:

"Each applicant shall, at the time of applying for a certificate of registration, file with the director of licenses a surety bond running to the state of Washington if a general contractor, in the sum of two thousand dollars; if a specialty contractor, in the sum of one thousand dollars; conditioned that the applicant will pay all taxes and contributions due to the state of Washington, and will pay all persons furnishing labor or material or renting or supplying equipment to the contractor and will pay all amounts that may be adjudged against the contractor by reason of negligent or improper work or breach of contract in the conduct of the contracting business. Any person having a claim against the contractor for any of the items referred to in this section may bring suit upon such bond in the superior court of the county in which the work is done or of any count in which jurisdiction of the contractor may be had. A copy of the complaint shall be served by registered or certified mail upon the director of licenses at the time suit is started and the director shall maintain a record, available for public inspection, of all suits so commenced. Such service shall constitute service on the surety and the director shall transmit the complaint or a copy thereof to the surety within forty-eight hours after it shall have been received. The surety upon the bond shall not be liable in an aggregate amount in excess of the amount named in the

bond, but in case claims pending at any one time exceed the amount of the bond, claims shall be satisfied from the bond in the following order:

"(1) Labor, including employee benefits;

"(2) Taxes and contributions due the state of Washington;

"(3) Material and equipment;

"(4) Claims for breach of contract.

"In the event that any final judgment shall impair the liability of the surety upon the bond so furnished that there shall not be in effect a bond undertaking in the full amount prescribed in this section, the director shall suspend the registration of such contractor until the bond liability in the required amount unimpaired by unsatisfied judgment claims shall have been furnished.

"In lieu of the surety bond required by this section the contractor may file with the director a cash deposit or other negotiable security acceptable to the director.

"In the event of a judgment being entered against such deposit, the director of licenses shall upon receipt of a certified copy of a final judgment, pay from the amount of the deposit said judgment."

Bond requirement for collection agencies in the state of Washington.

RCW 19.16.010:

"No person, firm, association or corporation shall conduct a collection agency, collection bureau or collection office in this state, or engage in this state in the business of collecting or receiving payment for others of any account, bill or

other indebtedness, or engage in this state in the business of soliciting the right to collect or receive payment for another of any account, bill or other indebtedness, or advertise for or solicit in print the right to collect or receive payment for another of any account, bill or other indebtedness, unless, at the time of conducting such collection agency, collection bureau, collection office or collection business, or of doing such advertising or soliciting, such person, partnership, association or corporation, or the person, partnership, association or corporation for whom he or it may be acting as agent, shall have on file a good and sufficient bond as hereinafter specified.

"Said bond shall be in the sum of three thousand dollars and shall provide that the person, partnership, association or corporation giving the same shall, upon written demand, pay and turn over to or for the person, partnership, association or corporation for whom any account, bill or other indebtedness is taken for collection the proceeds of such collection in accordance with the terms of the agreement upon which such amount, bill or other indebtedness was received for collection. Said bonds shall be in such form as the attorney general shall prescribe. The bond shall be approved by the county clerk of the county in which the principal place of business of the collection agency is located and shall then be filed in the office of the county auditor of the said county or cash may be accepted by the county auditor in lieu of such bond."

Bond requirement for insurance solicitors. RCW 48.06.110:

"(1) The commissioner shall not issue a solicitation permit until the person applying therefor files with him a corporate surety bond in the penalty of ten thousand dollars, in favor of the state and for the use and benefit of the state and of subscribers and creditors of the proposed organization.

"The bond shall be conditioned upon the payment of costs incurred by the state in event of any legal proceedings for liquidation or dissolution of the proposed organization before completion of organization or in event a certificate of authority is not granted; and upon a full accounting for funds received until the proposed insurer has been granted its certificate of authority, or until the proposed corporation or syndicate has completed its organization as defined in the solicitation permit.

"(2) In lieu of filing such bond, the person may deposit with the commissioner ten thousand dollars in cash or in United States government bonds at par value, to be held in trust upon the same conditions as required for the bond.

"(3) The commissioner may waive the requirement for a bond or deposit in lieu thereof if the permit provides that:

"(a) The proposed securities are to be distributed solely and finally to those few persons who

are the active promoters intimate to the formation of the insurer, or other corporation or syndicate, or

"(b) The securities are to be issued in connection with subsequent financing as provided in RCW 48.06.180.

"(4) Any bond filed or deposit or remaining portion thereof held under this section shall be released and discharged upon settlement or termination of all liabilities against it."